

For Immediate Release

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Planning for the Future Treasure Valley Reload Center

MALHEUR COUNTY, Or. - In order to succeed, one must plan.

Malheur County's farmers plan all winter to ensure a successful crop. A young couple plans on where they would like to live before purchasing their first home; they plan how much money is needed for the down payment, and plan on the number of bedrooms needed to start a life together. A local business plans their inventory, their expenses, and plans on how many employees will be needed.

Planning for the Treasure Valley Reload Center is no different.

Prior to handing over \$26 million, the Oregon Department of Transportation asked for plans. As in building a new home, expertise was needed by many professionals. In this case, instead of plumbers and framers, this project required engineers and rail designers. As these professionals completed tasks, they were paid using a line of credit account through a local bank. Receipts showing payment were then forwarded to the Oregon Department of Transportation for reimbursement.

After the state reimbursed the costs, **the balance of the line of credit stands at zero dollars today**, not the \$200,000 incorrectly reported by the *Malheur Enterprise*. Again, there is zero outstanding debt owed on this project and the facility should open with zero debt.

Through a public procurement process, Malheur County hired Gregory Smith and Company, LLC to coordinate both the reload center planning and the county's economic development. The county did not hire Greg Smith, an individual, but a company comprised of multiple employees with talents needed for a variety of county projects. This includes one full time employee dedicated solely to working with businesses throughout the county and coordinating work on the reload center. The \$15,000 paid monthly (\$9,000 for economic development with an additional \$6,000 for reload center work) by the county also hired the expertise of Greg Smith and his 26 years of industrial business development and the knowledge of a team of employees working on the county's future. In addition to paying for the employee, Gregory Smith and Company pays all expenses associated with maintaining an office in Ontario, payroll, insurance and other assorted expenses. Prior to the reload project, Gregory Smith and Company handled the economic development for the county for five years.

The Malheur Enterprise is a capable paper. However, in the paper's exuberance to acquire a story, multiple staff of Gregory Smith and Company, LLC have jointly worked to supply answers to a plethora of requests for information by the *Malheur Enterprise*. Currently, well over 20 hours per week could be dedicated addressing the daily requests from the paper. Much of the information requested

could have been easily acquired by simply attending a board meeting and speaking directly with those board members who give their personal time for the future of the county. **Click here for a log of email correspondence from the *Malheur Enterprise*.**

The *Malheur Enterprise* recently reported \$534,000 has been spent on “consultants and contractors for planning.” The figure sounds dramatic and is in fact, incorrect. In reality, the cost for planning is .021 percent of the total \$26 million budget. For a homeowner paying to build a \$200,000 home, the percentage would be equivalent to hiring an architect for \$4,200.

One expense not reimbursed by the state was the necessity to include 290 acres for future development in and around the rail facility. A total of \$85,000 was required rezone land from agricultural to industrial, a decision made by the county prior to hearings. All those involved agreed the facility would attract enough business that additional land would be needed shortly after opening for expansion purposes. As this work was outside the scope of work approved by the Oregon Department of Transportation, reimbursement was not available. Like those building a home realize, a change order is not part of the original cost.


Instead of planning a driveway, the engineers were planning over one mile of track and sidings. Instead of planning a three-bedroom, single story home, the architects were planning a large warehouse building with docks on one side for trucks and on the other, rail access. The planning of a facility like the reload center depends on individuals and companies with expertise in a specific arena. A mistake in planning on a home results in a smaller closet. A mistake in planning of the reload center could result in a spur not connecting with Union Pacific’s main line. Those with expertise in the rail industry needed to be paid for their knowledge.

It is important to note, Malheur County chose not to seek reimbursement from the State of Oregon for the fees of Gregory Smith & Company LLC, as it would not be honest. The economic development firm handles everything from business advising and financing assistance to hosting companies interested in the area. It would not have been appropriate to charge ODOT for the vast array of services provided to the county.

The question left out by the *Malheur Enterprise*’s article is what did Malheur County residents and state taxpayers receive for their money?

- A comprehensive plan for a facility vitally important to this county for the distribution of products throughout the nation. **Click here for the proposal submitted.**
- A letter from Union Pacific agreeing to provide service to the center and agreeing to sit down and discuss rates with interested parties.
- A decision expected at the June 20 meeting of the Oregon Transportation Commission.

The board overseeing the reload project is a group of your neighbors, holding meetings open to the public. Minutes of the meetings are maintained and open to any wishing to review them. Updates on



the progress of the plans are submitted to the County Court and numerous public forums have been held to answer the public's questions. Contrary to the statement made by the *Malheur Enterprise*, "there has been little public visibility to the costs of the Treasure Valley Reload Center work until now," every dollar spent towards the approval of the facility is accounted for and forwarded to the county.

For the farmer looking at his field in December or the family looking at the vacant lot, the planning is the tough part. For the money being paid out to the seed company or the architect, there is little to show. The fun part is when the tractor is in the field planting or the framers are on site putting up walls.

The reload center is within months of the fun part.

We have paid for the planning to move forward. We have the letters from the railroad and the local businesses wanting to use rail to ship. As with the farmer in spring and the homeowner standing and watching the electricians and plumbers entering the new home, we are looking towards laying track.

The recent news article also fails to discuss a number of reimbursements never forwarded to the state transportation department. No amount of money can be distributed to the numerous volunteers who brought the plan this far. The Malheur County Court and the volunteer board of the project will never be compensated. Also not receiving any money back are the countless people who stop by the office and offer their expertise on everything from truck traffic in and out of the facility to the size of forklifts that will be needed.

We could never come up with the money to truly pay all the people involved in this project and their support for the future of Malheur County.

-Greg Smith, Officer to the Board, Malheur County Development Corporation

Contact Information:

Greg Smith, Officer to the Board
Malheur County Development Corporation
541-377-0000
malheurcountyedc@gmail.com